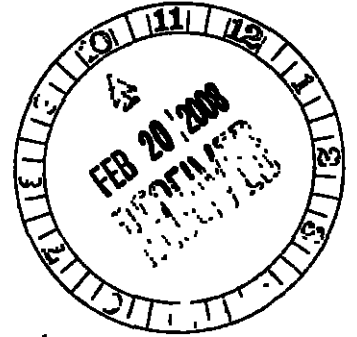


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February 19, 2007

The Honorable Vernon A. Williams
Secretary, Surface Transportation Board
395 E St. SW
Washington, DC 20423

FILED

FEB 20 2008

**SURFACE
TRANSPORTATION BOARD**

Re: FD 35057, PETITION OF THE TOWN OF
BABYLON AND PINELAWN CEMETERY
CORP. FOR A DECLARATORY ORDER

PETITION OF COASTAL DISTRIBUTION LLC
FOR RECONSIDERATION OF THE DECISION
OF THE BOARD FILED January 31, 2008

Honorable Sir:

Following please find the original and ten copies of the Petition of Coastal Distribution LLC to reconsider the decision of the Board filed on January 31, 2008 on the Petition of the Town of Babylon and Pinelawn Cemetery for a Declaratory Order with exhibit A and a disk.

Thank you for your attention to this matter.

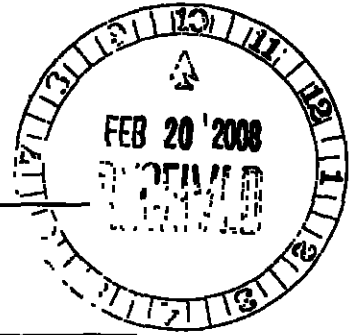
Very truly yours,

John F. McHugh

FEE RECEIVED
FEB 20 2008
**SURFACE
TRANSPORTATION BOARD**

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 35057



**PETITION OF THE TOWN OF BABYLON AND
PINELAWN CEMETERY FOR DECLARATORY ORDER**

FILED
FEB 20 2008
SURFACE
TRANSPORTATION BOARD

**PETITION FOR RECONSIDERATION BY
COASTAL DISTRIBUTION, LLC.**

FEE RECEIVED

FEB 20 2008

**SURFACE
TRANSPORTATION BOARD**

Coastal Distribution, LLC ("Coastal") seeks reconsideration of the Board's January 31, 2008 decision under 49 C.F.R. § 1115.3, on the basis of material error.

SUMMARY OF ARGUMENT

Coastal seeks reconsideration on the basis that the prior action involved material error under 49 C.F.R. § 1115.3, for several reasons:

First, the decision should not have issued, and the Board should have dismissed the petition of the Town of Babylon and Pinelawn Cemetery, because the Consolidated Appropriations Act of 2008, Pub. L. No. 100-161, 121 Stat. 1844, precludes the Board from providing due process of law to New York & Atlantic Railway Co. ("NY&A") and its agent Coastal by dictating the outcome, and creating a resultant appearance of impropriety.

Second, the decision violates the mandate of NEPA, and the Board's own regulations, because it was made without an assessment of its major environmental impact in the form of greatly increased heavy truck traffic on the roads of New York State.

FILED

FEB 20 2008

**SURFACE
TRANSPORTATION BOARD**

Third, the decision represents a major change of policy with important environmental effects, and for this separate reason an environmental analysis under NEPA is required.

Fourth, the decision is contrary to the plain language of the controlling statutes.

I. THE BOARD SHOULD HAVE DISMISSED THE TOWN'S PETITION BECAUSE THE CONSOLIDATED APPROPRIATIONS ACT OF 2008 DICTATED THE OUTCOME, IN VIOLATION OF COASTAL'S FEDERAL CONSTITUTIONAL RIGHT TO DUE PROCESS OF LAW.

The 2008 Consolidated Appropriations Act states in relevant part:

“None of the funds appropriated or otherwise made available under this Act to the Surface Transportation Board of the Department of Transportation may be used to take any action to allow any activity described in subsection (b) below...” Pub. L. No. 100-161, 121 Stat. 1844 (2007).

Subsection (b) enumerates activities occurring at solid waste rail transfer facilities, some of which are conducted at the Farmingdale facility in issue.

As NY&A points out in its petition for reconsideration and motion to dismiss, this statute predetermined the result in the proceeding. No Board ruling in favor of Coastal and NY&A would be possible without violating the provision quoted above. Thus, only one outcome was permissible in conformance with the Appropriations Act, because to rule in favor of the railroad and its agent would be to take an action to allow continued transloading of construction and demolition debris at the Farmingdale facility.

“Certainly, a body that has prejudged the outcome cannot render a decision that comports with due process.”

Bakalis v. Golembeski, 35 F.3d 318, 326 (7th Cir. 1994). This is a basic principle of due process.¹ Legislative commands that foreclose a fair hearing violate due process. See Communist Party of United States v. Subversive Activities Control Bd., 367 U.S. 1, 114-115 (1961) (holding that congressional findings did not result in a violation of due process in proceedings before an administrative board because “these findings neither compel nor suggest the outcome in any particular litigation before the Board.”)

The reality is that the Board was constrained to act in only one way – effectively predetermining the outcome, without regard to the evidence the parties might present.

Under these circumstances, the Board was precluded from providing due process of law, and from complying with the Administrative Procedure Act, 5 U.S.C. § 551 et seq.

Accordingly, the Board should grant the petition for reconsideration, and thereafter promptly dismiss the petition of the Town of Babylon and Pinelawn Cemetery.

Coastal joins in the corresponding argument of NY&A in its motion to dismiss and petition for reconsideration, and joins in NY&A’s remaining arguments as well.

II. BECAUSE THE DECISION WILL RESULT IN AN ADDITIONAL 78,000 TRUCK TRIPS PER YEAR ON THE NEW YORK

¹ Moreover, predetermination violates due process even when there is “some evidence” supporting the predetermined outcome. Martin v. Marshall, 431 F. Supp. 2d 1038, 1043 (D. Cal. 2006).

METROPOLITAN AREA'S CONGESTED HIGHWAYS, THE ORDER WRONGLY DETERMINED NO ENVIRONMENTAL ANALYSIS WAS REQUIRED.

The record before the Board established that Coastal is obligated by its operating agreement with New York & Atlantic Railway Co. ("NY&A") to transload not less than 1,200 cars per year, then growing to 3,200 carloads within three years, all shipped on bills of lading it issues on behalf of the railroad. A-223², A-520 §C 3 l. The record indicates that before this arrangement, the facility transloaded less than 4 cars a year. A-222. The record also establishes that Coastal has met and exceeded its goals and has handled a wide variety of cargo. A-176-181 and A-1078-1094. Closing this facility would put not less than 3,200 carloads of heavy bulk freight and general merchandise on the highway. A-224. Indeed, the record shows that the facility transloaded sufficient cargo to fill about 265 cars per month in 2005 (A-365), which is 1,325 truck loads – thus, removing 31,800 truck trips (half loaded and half empty) from the highways between the New York Metropolitan Area and Ohio. See A-343-344.

New Evidence: While this case has been working its way through the federal courts and this Board, two legislative attempts have been made in the New York Legislature to grant the Town of Babylon control over any waste material handled on rail lines owned by New York's Metropolitan Transportation Authority. The first such bill was vetoed by Governor Pataki, in 2006. The second bill, labeled Senate Bill Number S-4967, was vetoed by Governor Spitzer in 2007.

² References to "A" herein refer to the Joint Appendix which was submitted as Respondent's Exhibit B to Response of New York & Atlantic Railroad Co. and Coastal Distribution LLC to the Petition.

Governor Spitzer's Veto Message No. 159 stated, in relevant part:

This bill seeks to grant local governments outside New York City with jurisdiction over any entity - other than the Metropolitan Transportation Authority ("MTA") or its subsidiaries - operating a facility that processes, transfers, transloads or conveys solid waste on property of the MTA or its subsidiaries (including leased property). This bill also seeks to prohibit the MTA from knowingly allowing any entity to operate such a facility on its property unless such operation is permitted in a lawful manner by the Environmental Conservation Law or any municipal law relating to such a facility. This bill - like a similar bill that was vetoed last year by Governor Pataki - was proposed in response to a dispute relating to a construction and demolition waste facility operating in the Town of Babylon in Suffolk County.

....

Even if no federal preemption were involved, the provisions of this bill raise other significant concerns. For example, *the New York State Department of Transportation ("DOT") indicates that closure of the rail facility in Babylon would result in an additional 39,500 loaded 20-ton trailer dump trucks - and an equal number of empty returning trucks - traveling on downstate roads and bridges each year, which would have an adverse impact on traffic congestion, bridge wear and air quality.* In addition, the bill would permit localities to impose divergent requirements on rail operators, which could result in a patchwork of laws that conflict with or undercut statewide oversight by the Department of Environmental Conservation ("DEC"). [Emphasis added.]

This translates into 78,000 20-ton trailer dump truck trips per year on New York's aged and congested highways. Governor Spitzer concluded, as did the United States District Court for the Eastern District of New York, that the continued operation of the Farmingdale facility is in the public interest as it is keeping thousands of heavy trucks off the public roads. A copy of Governor Spitzer's veto message is attached as Exhibit A to this Petition.

Based on the past actions of the Town of Babylon in issuing a stop-work order, and then litigating against NY&A and Coastal to establish its power to enforce it, there can be no doubt that, should the Board's decision stand, those adverse environmental impacts found by the New York Department of Transportation and relied on by Governor Spitzer will occur.

The Board's decision recites, without any explanation, that "[t] his action will not significantly affect either the quality of the human environment or the conservation of energy resources." Decision, at p. 6.

That conclusion, in view of the uncontested facts in the record, as now augmented by the Governor, is arbitrary and capricious.

Moreover, the decision violates the Board's own regulations.

The Board's rules state that an environmental review is required where an action sought from the Board will divert more than the 1,000 rail car loads per year onto the highways, or generate more than 50 truck trips per day on any roadway segment. 49 C.F.R. § 1105.7(e)(4)(iv)(A) and (C). Both the facts submitted by the respondents and the New York DOT figures restated by the Governor establish that *this action's environmental effects vastly exceed the threshold*.

42 C.F.R. § 1501 instructs that an environmental review "shall provide full and fair discussion of significant environmental impacts and shall inform decision makers and the public of the reasonable alternatives which would avoid or minimize adverse impacts or enhance the quality of the human environment". The decision here violates that rule as it will place not less than 78,000 trucks a year on some of the nation's most congested highways and, due to its cumulative effects, will keep hundreds of thousands of trucks on the highway handling low value bulk freight which can be handled with far less environmental cost by rail.

It is true that 49 C.F.R. § 1105.5(b) provides that an environmental analysis is not required when a determination of lack of jurisdiction is requested and made.

However, that rule does not nullify the mandate of NEPA. Under NEPA, an agency may “categorically exclude” certain types of actions from NEPA regulation. 40 C.F.R. § 1508.4. But categorical exclusions by an agency are only permissible when there is a safety valve, requiring an environmental analysis of an otherwise categorically excluded class of action when there are “*extraordinary circumstances in which a normally excluded action may have a significant environmental effect.*” *Id.* (Emphasis added).

The Board’s regulation excluding determinations of no jurisdiction from NEPA, 49 C.F.R. § 1105.5(b), fails to include the required provisions for extraordinary circumstances. Thus, the regulation is defective on its face, and cannot be applied to exclude jurisdictional determinations from NEPA’s reach.

Moreover, even assuming it is true that most determinations of no jurisdiction by the Board would, as a hypothetical matter, not significantly impact the environment, that certainly cannot be said here, where the impact to the roads, bridges, congestion, and air quality in the affected area is certainly an “extraordinary circumstance” in that “a normally excluded action [will] have a significant environmental effect.” 40 C.F.R. § 1508.4.

Therefore, in this case where an environmental effect is stated in the record, is obvious and articulated by the Governor of an affected State, 42 U.S.C.A. § 4332 (C) requires the Board to:

include in every recommendation or report on proposals for legislation and other major Federal actions significantly affecting the quality of the

include in every recommendation or report on proposals for legislation and other major Federal actions significantly affecting the quality of the human environment, a detailed statement by the responsible official on-

- (i) the environmental impact of the proposed action,
- (ii) any adverse environmental effects which cannot be avoided should the proposal be implemented,
- (iii) alternatives to the proposed action,

Pursuant to 40 C.F.R. § 1500.2 (2007), the Board must "...consider and disclose the actual environmental effects in a manner that will ensure that the overall process, including both the generic rulemaking and the individual proceedings, brings those effects to bear on decisions to take particular actions that significantly affect the environment...." Baltimore Gas and Elcc. Co. v. Natural Resources Defense Council, Inc., 462 U.S. 87, 96, 103 S.Ct. 2246. (1983); see Center for Biological Diversity v. National Ihighway Traffic Safety Admin., 508 F.3d 508, 517 (9 Cir. 2007).

The Board's failure to conduct an environmental analysis violates both its own regulations, and NEPA.

.III. THE DECISION IS A MAJOR CHANGE IN THE DEFINITION OF TRANSPORTATION BY RAIL WITH FAR-REACHING ENVIRONMENTAL EFFECTS AND IS A NEW AGENCY POLICY OR REGULATION REQUIRING NEPA REVIEW.

40 C.F.R. § 1508.18(b)(1) defines "major federal actions" which require environmental analyses under NEPA to include, inter alia:

Adoption of official policy, such as rules, regulations, *and interpretations adopted* pursuant to the Administrative Procedure Act, 5 U.S.C. 551 et seq.; treaties and international conventions or

agreements; formal documents establishing an agency's policies which will result in or substantially alter agency programs.

(Emphasis added.)

Since June 29, 1906, when chap. 3591, 34 Stat. at L. 584, U. S. Comp. Stat. Supp. 1909, p. 1149 became the law of the land 'the term 'transportation' has been understood to include.

. . all instrumentalities and facilities of shipment or carriage, irrespective of ownership or of any contract, express or implied, for the use thereof, and all services in connection with the receipt, delivery, elevation, and transfer in transit, ventilation, refrigeration, or icing, storage, and handling of property transported; and it shall be the duty of every carrier subject to the provisions of this act to provide and furnish such transportation upon reasonable request therefore,...

Interstate Commerce Commission v. Diffenbaugh, 222 U.S. 42, 44-5 (1911).

Since 1906 rail terminal facilities, such as the transloading facility at issue here, have been rail services subject to Federal regulation, which the Interstate Commerce Commission Termination Act made exclusive. Congress's goal was to prevent balkanization of the nation's transportation system and to prevent the parochial interests of a place from interfering with a system vital to the national well being. NEPA mandates that a decision, which ends this system of national regulation and will allow such local interference, which interference, has the known consequence of denying the public access to rail carriage, must be preceded by and justified by a full environmental review.

The decision here materially altered the law applicable to terminal facilities and it therefore is the equivalent of a rule making under 40 C.F.R. § 1508.18(b)(1). It bars rail carriers from entering into commercially reasonable contractual relations for the provision of services that a railroad

must provide as part of its common carrier obligation without subjecting itself to local regulation. Indeed, this decision also allows railroads to avoid federal regulation simply by selecting particular contract terms. The decision ignores all prior precedent including the Hepburn Act, which was designed to prevent a railroad from opting out of the national regulatory scheme by just such contractual terms. E.g., Cleveland, C., C. & St. L. Ry. Co. v. Dettlebach, 239 U.S. 588, 594 (1916).

In numerous cases railroads sought to avoid their obligations by contract and in all, the courts have deemed these arrangements immaterial. United States v. Brooklyn Eastern Dist. Terminal, 249 U.S. 296, 304 (1919):

The transportation performed by the railroads begins and ends at the Terminal. Its docks and warehouses are public freight stations of the railroads. These with its car floats, *even if not under common ownership or management, are used as an integral part of each railroad line*, like the stockyards in United States v. Union Stockyard, 226 U. S. 286, and the wharfage facilities in Southern Pacific Terminal Co. v. Interstate Commerce Commission, 219 U. S. 498. They are clearly unlike private plant facilities. Compare Tap Line Cases, 234 U. S. 1, 25. The services rendered by the Terminal are public in their nature; and of a kind ordinarily performed by a common carrier.

Railroad Retirement Board v. Duquesne Warehouse Co., 326 U.S. 446, 453 (1946):

The duty of unloading carload freight ordinarily rests with the shipper or consignee. Pennsylvania R. Co. v. Kittaning Co., 253 U.S. 319, 323. But it is a transportation service within the meaning of the Interstate Commerce Act. Atchison, Topeka & Santa Fe Ry. Co. v. United States, 295 U.S. 193, 200, 55 S.Ct. 748, 752, 79 L.Ed. 1382; Barringer & Co. v. United States, 319 U.S. 1, 6, 729, 63 S.Ct. 967, 971, 87 L.Ed. 1171. Its cost may be included in the line-haul tariffs or separately fixed or allowed as an additional charge. , 410-415, 52 S.Ct. 589, 592-594, 76 L.Ed. 1184; Loading and Unloading Carload Freight, 101 I.C.C. 394; Berg Industrial Alcohol Co. v. Reading Co.,

142 I.C.C. 161, 163-164; Livestock Loaded and Unloaded at Chicago, 213 I.C.C. 330, 336, 337.

The Board's decision here ignores the mandate of 49 U.S.C. §10742 that a railroad's common carrier obligation includes loading and unloading, see: Erie R. Co. v. Shuart 250 U.S. 465, (1919). It ignores even its own recent precedent, American Orient Express Railway Company, LLC – Petition for Declaratory Order, FD_34502_0 (Dec. 29, 2005), that notwithstanding the specific work done by a company's employees, where the company operates on the railway system and provides transportation services to the general public, it is a rail carrier. Indeed, in American Orient Express the fact that the company billed the customers for transportation services even where it in turn purchases those services from another rail carrier was deemed a fact rendering it a rail carrier. Here the Board reaches the exact opposite result even though Coastal is billing for the railroad directly and not as a purchaser of that service.

The decision ignores the mandate that a rail common carrier must "...furnish reasonable trackage facilities and means to serve the consignees at the particular station as measured by the volume of business handled in and out of the station. Each consignee and shipper at the station is entitled to the service which reasonable facilities ought to afford him." St. Louis, Southwestern Railway Co. v. Mays, 177 F. Supp. 182, 184-85 (D. Ark. 1959). In City of Chicago v. AT&SF Railway 357 U.S. 77, 88 78 S.Ct. 1063 (1958), the Supreme Court dealt with a closely analogous situation:

...Because of close time schedules, the great volume of traffic and its irregular cbb and flow, the railroads obviously need a cooperative and dependable transfer operator with suitable equipment who is willing to work in close harmony with them... If local officials can prevent

them from providing this service ... a break-down in the organized transfer of passengers could result.

Indeed where as here, the decision requested of the Board constitutes a major change in the interpretation of the law. It will subject the railway industry to innumerable state and local laws and to the crippling effect of parochial "not in my back yard forces" which dominate the local decision making process. There can be no question that this change will cripple the ability of rail carriers to provide needed terminal facilities when and where needed by denying them access to non-industry capital. Indeed, any facility now being operated by any agent is now subject to local control with the inherent right to close all due to a violation of formerly preempted local law.

Under NEPA, the Board may not limit its consideration of effect to its individual decision. It must consider the immediate and cumulative effects, including the reasonably foreseeable actions of local governments to which the Board seeks to yield its jurisdiction. 40 C.F.R. § 1508.7 provides:

"Cumulative impact" is the impact on the environment, which results from the incremental impact of the action when added to other past, present, and *reasonably foreseeable future actions regardless of what agency (Federal or non-Federal) or person undertakes such other actions*. Cumulative impacts can result from individually minor but collectively significant actions taking place over a period of time.

Governor Spitzer's veto message, relying as it does upon official state determinations, is notice of some of these undeniable cumulative impacts.

As the Board is intent on changing its interpretation of the law of common carriage significantly, with undeniable physical effects on the environment of Long Island, The Bronx, New Jersey, Pennsylvania and

Ohio, this matter must be reconsidered and referred to the Section for Environmental Analysis for a full review of all effects.

The Board may not lawfully act until the environmental review is complete. 42 C.F.R. §1502.

IV. THE DECISION VIOLATES THE PLAIN LANGUAGE OF THE CONTROLLING STATUTES.

The decision of the Board that it has no jurisdiction over the railroad transloading facility at issue violates not only a century of case-law, but the plain language of the controlling federal statutes. For that reason, it is arbitrary, capricious, and excessive, and should be reconsidered.³

Under 49 U.S.C. § 10501, the Board has “exclusive” jurisdiction over “transportation by rail carrier.”

Under 49 U.S.C. § 10102, “transportation” includes:

“(B) services related to [the] movement [of passengers or property by rail], including receipt, delivery, elevation, transfer in transit, refrigeration, icing, ventilation, storage, handling, and interchange of . . . property . . .” (Emphasis added.)

This definition clearly includes transloading services such as that provided by Coastal.

Thus, the only remaining jurisdictional question is whether the services are provided under the auspices of a “rail carrier.”

As shown in the papers previously filed in this matter, and in the District Court’s opinion in the related litigation, Coastal is operating the facility under the direct auspices of NY&A, which is indisputably a rail

³ Coastal adopts the arguments made by NY&A in its petition for reconsideration that under the law of agency, Coastal is NY&A’s agent.

carrier. This, without more, confers jurisdiction, and the Board's conclusion to the contrary is clearly erroneous.

Coastal is not a rail customer as it provides service to the public and moves material, which belongs to multiple shippers. It has never denied its transloading services to a paying customer. Indeed, Coastal is open to and does business with paying members of the public in need of transloading. A-358-359. Coastal is performing these services as agent for the NY&A. The bulk commodities and general freight transloaded by Coastal through the facility since its inception include aggregate, wallboard, lumber, steel and construction and demolition debris. *Id.* Coastal is contractually obligated to act on NY&A's behalf, and NY&A's legal obligations at the Farmingdale facility, including its duty to accept all customers on equal terms, apply to Coastal as well. A-532.

Coastal acts for and on behalf of a common carrier providing railroad transportation services – transloading – for compensation. It is undisputed that without the services Coastal provides, rail service would not be possible at Farmingdale. Therefore, Coastal's services are integral to those of the NY&A.

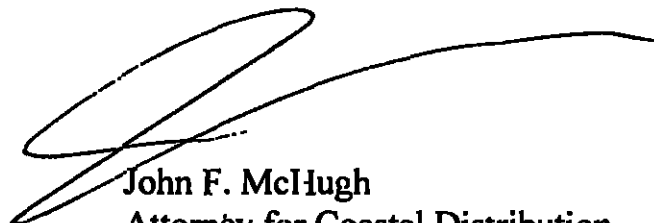
it is well-settled law that state and local regulation cannot be used to veto or unreasonably interfere with railroad operations (including facilities that are an integral part of the railroad's interstate operations). See Ayer and Auburn and Kent, WA — Pct. for Declar. Order — Stampede Pass Line, 2 S.T.B. 330 (1997), aff'd, City of Auburn v. United States, 154 F.3d 1025 (9th Cir. 1998), cert. denied, 527 U.S. 1022 (1999).

(January 5, 2005). The Board, has jurisdiction, under 49 U.S.C. § 10501, which is "exclusive."⁴

CONCLUSION.

For the foregoing reasons, the Board should reconsider its decision of January 31, 2008, and either dismiss the original petition of Babylon and Pinclawn on the basis it is unable to adjudicate the petition in conformance with due process and the Administrative Procedure Act, or in the alternative, issue a new and different order denying the petition.

Dated, New York, N.Y.
February 18, 2008



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⁴ This conclusion is unaffected by the fact that Coastal has not applied for a certificate to conduct specific rail carrier activities under 40 U.S.C. § 10901, because such authority is unnecessary to Coastal's activities. In any event, a certificate under 49 U.S.C. § 10901 is not required for an entity to come under the Board's jurisdiction. A rail carrier could not exempt itself from regulation by refusing to apply for a certificate.

EXHIBIT A

VETO MESSAGE - No. 159

TO THE SENATE:

I am returning herewith, without my approval, the following bill:

Senate Bill Number 4967-A, entitled:

"AN ACT to amend the environmental conservation law and the public authorities law, in relation to special powers of the metropolitan transportation authority"

NOT APPROVED

This bill seeks to grant local governments outside New York City with jurisdiction over any entity - other than the Metropolitan Transportation Authority ("MTA") or its subsidiaries - operating a facility that processes, transfers, transloads or conveys solid waste on property of the MTA or its subsidiaries (including leased property). This bill also seeks to prohibit the MTA from knowingly allowing any entity to operate such a facility on its property unless such operation is permitted in a lawful manner by the Environmental Conservation Law or any municipal law relating to such a facility. This bill - like a similar bill that was vetoed last year by Governor Pataki - was proposed in response to a dispute relating to a construction and demolition waste facility operating in the Town of Babylon in Suffolk County.

Although I certainly recognize the desire of local governments to regulate rail facilities operating within their boundaries, as a general rule such local laws and ordinances are preempted by the federal Interstate Commerce Commission Termination Act ("ICCTA"). Indeed, the Babylon rail facility at issue here has been the subject of several years of federal litigation, and the courts have enjoined the local efforts to regulate the facility, holding that they are preempted by the ICCTA. In addition, this bill would place the MTA in the untenable position of pursuing its tenants for violations of state or local laws that are otherwise inapplicable pursuant to federal preemption.

Even if no federal preemption were involved, the provisions of this bill raise other significant concerns. For example, the New York State Department of Transportation ("DOT") indicates that closure of the rail facility in Babylon would result in an additional 39,500 loaded 20-ton trailer dump trucks - and an equal number of empty returning trucks - traveling on downstate roads and bridges each year, which would have an adverse impact on traffic congestion, bridge wear and air quality. In addition, the bill would permit localities to impose divergent require-

ments on rail operators, which could result in a patchwork of laws that conflict with or undercut statewide oversight by the Department of Environmental Conservation ("DEC").

The MTA, DOT, DEC and the Department of State all recommend that this bill be vetoed for the reasons noted above. I understand the desire of the proponents of this bill to provide greater local control over rail facilities, but because such restrictions generally are preempted by federal law, this legislation will not achieve its desired goals and could have other adverse consequences, and so I am compelled to veto this bill.

The bill is disapproved.

(signed) ELIOT SPITZER

DECLARATION

Sylvia Cruz declares under penalty of perjury this 19th day of February 2008 at New York, N.Y. that she is the office manager for John F. McHugh, Exq. And that she dispatched a copy of this Petition of Coastal Distribution LLC for reconsideration of the decision on the Petition of the Town of Babylon and Pinclawn Cemetery for a Declaratory Order to:

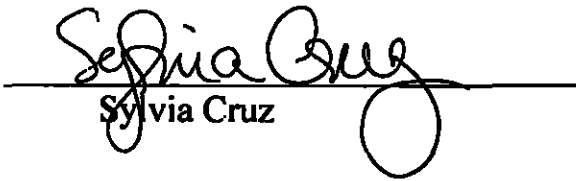
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